

Message Text

CONFIDENTIAL

PAGE 01 IAEA V 02104 01 OF 03 151732 Z

45

ACTION IO-13

INFO OCT-01 EUR-25 EA-11 ADP-00 SS-14 PM-09 ACDA-19

CIAE-00 INR-09 L-03 NSAE-00 NSC-10 OST-04 RSC-01

SCI-06 GAC-01 DODE-00 PA-03 USIA-12 PRS-01 OMB-01

TRSE-00 EB-11 RSR-01 /155 W

----- 063356

R 151619 Z MAR 73

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 2583

INFO AEC GERMANTOWN

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY TOKYO

CONFIDENTIAL SECTION 1 OF 3 IAEA VIENNA 2104

E. O.11652: GDS

TAGS: PARM, IAEA, US

SUBJECT: NEGOTIATION OF US- IAEA SAFEGUARDS AGREEMENT

REF: A. IAEA VIENNA 1669, B. IAEA VIENNA 1362;

C. IAEA VIENNA 1446

SUMMARY: IN ADDITION TO JAPAN, IAEA SECRETARIAT AND FRG HAVE ALSO URGED THAT US- IAEA SAFEGUARDS AGREEMENT PURSUANT TO PRESIDENTIAL OFFER BE IMPLEMENTED IN SAME FASHION AS EURATOM- IAEA NPT SAFEGUARDS AGREEMENT. IAEA SECRETARIAT GOES FURTHER AND HOPES THAT IAEA INSPECTION EFFORT IN U. S. FACILITIES WOULD BE LIMITED TO SAME EXTENT AS IN COMPARABLE FACILITIES IN EURATOM NNWS' S. KEY TECHNICAL FACTORS IN CONSIDERING EURATOM- IAEA TYPE OF IMPLEMENTATION U. S. OFFER ARE (A) INSPECTION ACTIVITY CONTEMPLATED WITHIN U. S. NATIONAL SAFEGUARDS SYSTEM FOR VARIOUS KINDS OF FACILITIES AND (B) UNDERSTANDING OF PRINCIPLE IMPLIED IN EURATOM- IAEA ARRANGEMENTS. ACTION REQUIRED: INFORMATION RE ITEM (A) ABOVE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 02104 01 OF 03 151732 Z

1. REFTEL A REPORTED COMMENTS BY LOPEZ- MENCHERO RE INCLUDING EURATOM- IAEA TYPE PROTOCOL IN US- IAEA AGREEMENT AND IMPLEMENTING LATTER AGREEMENT IN SAME MANNER AS CONTEMPLATED IN SUBSIDIARY ARRANGEMENTS TO EURATOM- IAEA AGREEMENT. IN SUBSEQUENT CONVERSATION WITH MISOFF, ROMETECH ALSO MADE STRONG PITCH FOR EURATOM- TYPE IMPLEMENTATION FOR US- IAEA AGREEMENT. BOTH LOPEZ- MENCHERO AND ROMETSCH ADVOCATED NOT ONLY PRINCIPLE IMPLIED IN EURATOM- IAEA SUBSIDIARY ARRANGEMENTS, BUT ALSO HAVING THE U. S. NATIONAL SYSTEM UNDERTAKE LEVELS OF INSPECTION EFFORT COMPARABLE TO THOSE UNDERTAKEN BY EURATOM, THEREBY REDUCING AGENCY'S INSPECTION EFFORT TO MINIMUM. THEIR POSITION WAS BASED PRIMARILY UPON RESULTING DECREASED IMPACT UPON AGENCY'S MANPOWER AND BUDGETARY REQUIREMENTS.

2. FRG RES REP UNDERER HAS SHOWN US WHAT HE DESCRIBED AS " NON- PAPER" CONCERNING US- IAEA AGREEMENT, WHICH HE APPARENTLY HAS CIRCULATED AMONG EC- MEMBER MISSIONS. LOPEZ- MENCHERO ALSO REFERRED TO COPY, WHICH HE SAID WAS BY ANONYMOUS AUTHOR, DURING DISCUSSIONS REPORTED REFTEL A. AMONG OTHER POINTS, DISCUSSED SPTEL, UNGERER DOCUMENT NOTED THAT MAIN REASON FOR PROPOSAL BY " TIMBS GROUP" IN EARLY 1971 THAT FULL IAEA INSPECTIONS BE CARRIED OUT ONLY " IN RESPECT OF / ELIGIBLE U. S. AND UK/ FACILITIES OF ADVANCED DESIGN INCORPORATING NEW TECHNOLOGY OR THOSE WHICH ARE SENSITIVE IN TERMS OF INTERNATIONAL COMPETITION" WAS TO REDUCE AGENCY'S COSTS FOR IMPLEMENTING RESPECTIVE U. S. AND UK OFFERS. DOCUMENT POINTS OUT THAT NEGOTIATION OF EURATOM- IAEA AGREEMENT SHOWS THAT SYSTEM OF IAEA COOPERATION WITH ANOTHER SAFEGUARDS AUTHORITY CAN CONTRIBUTE TO DECREASE AGENCY'S COSTS. THUS, " IT APPEARS THAT A SIMILAR APPROACH FOR SAFEGUARDS TO BE APPLIED BY THE AGENCY IN THE U. S. MIGHT BE A SOLUTION TO THE PROBLEM." BUT, DOCUMENT NOTES, ACCEPTABILITY OF SUCH APPROACH DEPENDS UPON NATURE AND STRUCTURE OF U. S. NATIONAL SAFEGUARDS SYSTEM. " OF THIS NATIONAL SYSTEM IS COMPARABLE TO THE EURATOM SYSTEM IN EFFICIENCY AND EXTENT, AND IF IT INCLUDES INSPECTIONS, AS THE EURATOM SAFEGUARDS SYSTEM DOES, IT IS IMAGINABLE THAT THE GOVERNMENTS MAINLY INTERESTED IN SEEING AGENCY SAFEGUARDS APPLIED

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 IAEA V 02104 01 OF 03 151732 Z

TO NUCLEAR ACTIVITIES IN THE UNITED STATES WOULD HAVE

NO OBJECTIONS TO THE LIMITATION OF THE AGENCY'S
INSPECTION EFFORT ALONG THE LINES LAID DOWN IN THE
EURATOM/ IAEA AGREEMENT, EVEN IF NATIONAL INSPECTIONS
CANNOT BE PLACED ON THE SAME LEVEL AS MULTINATIONAL
INSPECTIONS SUCH AS THOSE OF EURATOM. WHAT IS ESSENTIAL
IN THIS CONTEXT, IS THAT THE BURDEN OF BOTH NATIONAL
AND AGENCY'S SAFEGUARDS MEASURES FOR THE INDIVIDUAL
OPERATOR AMOUNTS TO THE SAME AS THE SAFEGUARDS MEASURES
OF EURATOM AND THE AGENCY FOR THE OPERATORS IN THE
EURATOM- COUNTRIES CONCERNED".

3. UNGERER'S POSITION, SET FORTH IN LAST TWO SENTENCES
QUOTED ABOVE, SEEMS TO BE THAT SUM OF U. S. INSPECTOR
MAN- DAYS (ARIE-1) AND IAEA INSPECTOR MAN- DAYS (ARIE-2)
FOR PARTICULAR U. S. FACILITY SHOULD EQUAL SUM OF
ARIE-1 (BY EURATOM) AND AIRE-2 IN COMPARABLE FACILITY
UNDER EURATOM- IAEA AGREEMENT. UNDER SUCH APPROACH,
ARIE-1 BY U. S. COULD BE LESS THAN ARIE-1 BY EURATOM,
IN WHICH CASE ARIE-2 WOULD BE CORRESPONDINGLY LARGER IN
U. S. FACILITY . MISSION NOTES THAT SUCH AN APPROACH
PRESUMES THAT COM
E E E E E E E

ADP000
CONFIDENTIAL

PAGE 01 IAEA V 02104 02 OF 03 151719 Z

45
ACTION IO-13

INFO OCT-01 EUR-25 EA-11 ADP-00 SS-14 PM-09 ACDA-19

CIAE-00 INR-09 L-03 NSAE-00 NSC-10 OST-04 RSC-01

SCI-06 GAC-01 DODE-00 PA-03 USIA-12 PRS-01 OMB-01

TRSE-00 EB-11 RSR-01 /155 W
----- 063221

R 151619 Z MAR 73
FM USMISSION IAEA VIENNA
TO SECSTATE WASHDC 2584
INFO AEC GERMANTOWN
AMEMBASSY BONN
USMISSION EC BRUSSELS
AMEMBASSY TOKYO

CONFIDENTIAL SECTION 2 OF 3 IAEA VIENNA 2104

RECEIVING SUCH AS SOON AS AVAILABLE.

6. IN ADDITION TO TECHNICAL FACTORS TO BE CONSIDERED,
OTHER IMPLICATIONS OF ADOPTING THE EURATOM- IAEA CONCEPT
FOR NEGOTIATING US- IAEA SUBSIDIARY ARRANGEMENTS MUST BE STUDIED.

CHIEF AMONG THESE IS FINANCIAL IMPACT ON IAEA AND U. S. RESPECTIVELY. AS LOPEZ- MENCHERO POINTED OUT, THE TARGET AGENCY ANNUAL COST FOR SAFEGUARDING ALL ELIGIBLE FACILITIES IN U. S. AND UK WAS GIVEN IN TIMBS PAPER AS \$5.6 MILLION IN 1975, WHICH WOULD BE REDUCED, ACCORDING TO TIMBS PAPER TO \$2.25 MILLION " OR EVEN LESS," BY ADOPTION OF PROPOSED SELECTION CRITERIA FOR FACILITIES TO RECEIVE FULL INSPECTION. HE POINTED OUT THAT, OVERALL, EURATOM- IAEA SUBSIDIARY ARRANGEMENTS WILL RESULT IN SPLIT OF INSPECTION EFFORT BETWEEN EURATOM AND IAEA SUCH THAT IAEA WILL CARRY OUT ONLY ABOUT ONE- FIFTH OF TOTAL. APPLYING THIS FORMULA, IN ADMITTEDLY OVERSIMPLIFIED WAY, TO CURRENT ROUGH IAEA ESTIMATE OF ANNUAL COST TO SAFEGUARD ALL ELIGIBLE U. S. AND UK FACILITIES OF ABOUT \$5.0 MILLION IN 1975, WOULD REDUCE AGENCY' S COSTS TO ABOUT \$1.0

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 02104 02 OF 03 151719 Z

MILLION. THUS, APPLICATION OF EURATOM- IAEA CONCEPT TO IMPLEMENTATION OF INSPECTIONS IN ALL ELIGIBLE U. S. AND UK FACILITIES WILL RESULT IN EVEN LOWER COSTS TO AGENCY THAN WAS FORESEEN BY " TIMBS GROUP" ON BASIS OF ITS PROPOSED SELECTION CRITERIA. IN LOPEZ- MENCHERO VIEW, AGENCY WOULD ALSO BE FREED OF CHORE OF SELECTING FACILITIES, CONSULTING WITH STATES, WORRY ABOUT DISCRIMINATION AMONG U. S. FACILITIES, AND OTHERWISE BE INVOLVED IN TEDIOUS DETAILS INHERENT IN " SELECTIVE" APPROACH. HE FULLY RECOGNIZED THAT BURDEN OF REMAINING COSTS WOULD BE SHIFTED FROM AGENCY' S BUDGET TO U. S. NATIONAL BUDGET. HE EXPECTS THAT UK WILL MAKE ARRANGEMENTS UNDER EURATOM- IAEA AGREEMENT, IN ANY EVENT. HE POINTED OUT THAT, UNDER SELECTIVE APPROACH, AGENCY WOULD LIKELY SELECT ALL U. S. FUEL FABRICATION PLANTS AND ALL FUEL REPROCESSING PLANTS. AGENCY COSTS OF SAFEGUARDING THOSE PLANTS WILL REPRESENT ABOUT 80 PERCENT OF COSTS IF ALL ELIGIBLE FACILITIES ARE SUBJECT TO FULL INSPECTION, REGARDLESS OF WHETHER " TRADITIONAL" IAEA INSPECTION EFFORT OR EURATOM- IAEA CONCEPT EMPLOYED. COMMENT: THIS STATEMENT, TAKEN WITH ROUGH CURRENT ESTIMATE OF ABOUT \$5.0 MILLION FOR SAFEGUARDING ALL ELIGIBLE U. S. AND UK FACILITIES IN 1975, IMPLIES THAT AGENCY COSTS FOR SAFEGUARDING U. S. FACILITIES, UNDER " SELECTIVE" APPROACH WOULD BE ABOUT \$3.2 MILLION (DEDUCTING ABOUT \$1.0 MILLION FROM TOTAL FOR SAFEGUARDING ALL ELIGIBLE UK FACILITIES).

7. PROSPECTS FOR SHIFTING ABOUT \$2.0 MILLION ANNUALLY FROM AGENCY BUDGET (WITH U. S. CURRENT ASSESSED SHARE ON THE ORDER

OF
\$0.7 MILLION OR LESS) TO U. S. NATIONAL BUDGET WILL
HAVE IRRESISTIBLE APPEAL TO AGENCY MEMBERSHIP AND
MANAGEMENT QUITE APART FROM ANY OTHER CONSIDERATIONS,
COMING, AS IT LIKELY WILL, AT TIME WHEN U. S. WILL BE
SEEKING TO REDUCE ASSESSMENT RATE. WE THEREFORE
EXPECT INCREASING PRESSURE FROM ALL SIDES TO ADOPT
(1) EURATOM- IAEA CONCEPT IN NEGOTIATING US- IAEA
SUBSIDIARY ARRANGEMENTS AND (2) TO UNDERTAKE, IN
THOSE ARRANGEMENTS, MAXIMUM U. S. INSPECTION EFFORT.

8. IT HAS BEEN POINTED OUT TO BOTH ROMETSCH AND
CON
E E E E E E E

ADP000
CONFIDENTIAL

PAGE 01 IAEA V 02104 03 OF 03 151737 Z

45
ACTION IO-13

INFO OCT-01 EUR-25 EA-11 ADP-00 SS-14 PM-09 ACDA-19

CIAE-00 INR-09 L-03 NSAE-00 NSC-10 OST-04 RSC-01

SCI-06 GAC-01 DODE-00 PA-03 USIA-12 PRS-01 OMB-01

TRSE-00 EB-11 RSR-01 /155 W
----- 063421

R 151619 Z MAR 73
FM USMISSION IAEA VIENNA
TO SECSTATE WASHDC 2585
INFO AEC GERMANTOWN
AMEMBASSY BONN
USMISSION EC BRUSSELS
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 3 OF 3 IAEA VIENNA 2104

BUDGET AND AGENCY'S ACTIVITIES IN EURATOM FACILITIES
AND CUT BACK U. S. INSPECTION EFFORT WHENEVER IT
APPEARED THAT EURATOM WAS NOT EXERTING INSPECTION
EFFORT IT HAD UNDERTAKEN (ASSUMING, OF COURSE, THAT
WE HAD SOME IDEA OF THOSE LEVELS).

10. MISSION BELIEVES THAT ENTIRE QUESTION OF U. S.
WILLINGNESS TO ADOPT EURATOM- IAEA INSPECTION CONCEPT
IN NEGOTIATION OF SUBSIDIARY ARRANGEMENTS TO US- IAEA
AGREEMENT SHOULD BE GIVENMOST CAREFUL STUDY,
INCLUDING ALL IMPLICATION. IT SHOULD BE KEPT IN
MIND, HOWEVER, THAT, AS NOTED IN REFTEL A, WORDING OR
FORMAT OF AGREEMENT (AND SPECIAL PROTOCOL FORESEEN

TO LIST ELIGIBLE U. S. FACILITIES, ETC.) WILL NOT BE
AFFECTED BY DECISION ON CONCEPT TO BE INCORPORATED
INTO SUBSIDIARY ARRANGEMENTS. NOTE THAT EURATOM- IAEA
AGREEMENT DOES NOT DIFFER IN ANY SUBSTANTIVE WAY FROM
ALL OTHER NPT SAFEGUARDS AGREEMENTS; EVEN PROTOCOL TO
EURATOM- IAEA AGREEMENT DOES NOT REVEAL CONCEPT
INCORPORATED IN SUBSIDIARY ARRANGEMENTS. ACCORDINGLY,
MISSION STRONGLY RECOMMENDS THAT WE PROCEED WITH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 02104 03 OF 03 151737 Z

NEGOTIATIONS OF AGREEMENT TEXT, WHILE QUESTION OF
SUBSIDIARY ARRANGEMENTS IS BEING STUDIED.

11. FOR TIME BEING, MISSION INTENDS TAKE POSTURE THAT
U. S. DOES NOT HAVE SUFFICIENT KNOWLEDGE OF EURATOM- IAEA
SUBSIDIARY ARRANGEMENTS TO HAVE ANY OPINION CONCERNING
TECHNICAL BASIS, FEASIBILITY OR EFFECTIVENESS. WHEN
WE OBTAIN TECHNICAL EXPLANATION WE HAVE ASKED FOR, WE
WILL EVALUATE IT NOT ONLY FOR APPLICATION IN EURATOM-
IAEA SITUATION, BUT IN OTHER SITUATIONS AS WELL.
TEXT OF US- IAEA AGREEMENT WE ARE DISCUSSING WITH AGENCY
WILL FOLLOW AS CLOSELY AS POSSIBLE INF CIRC/153 AND
NPT SAFEGUARDS AGREEMENTS BASED ON THAT DOCUMENT. AS
IN NPT SAFEGUARDS AGREEMENTS, DETAILS OF INSPECTION
ARRANGEMENTS WILL BE ADDRESSED IN SUBSIDIARY ARRANGEMENTS
WHEN WE REACH THAT POINT IN OUR NEGOTIATIONS. PORTER

CONFIDENTIAL

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973IAEAV02104
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: IAEA VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730329/aaaahuob.tel
Line Count: 312
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 IAEA VIENNA 1669, 73 IAEA VIENNA 1362, 73 IAEA VIENNA 1446
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30-Jul-2001 by willialc>; APPROVED <06-Sep-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971204
Subject: NEGOTIATION OF US-IAEA SAFEGUARDS AGREEMENT
TAGS: PARM, US, IAEA
To: AEC GERMANY
BONN
EC BRUSSELS
IO
SECSTATE WASHDC
TOKYO
Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005